

**376.435 Lien on die, mold, form, or pattern -- Respective rights of molder and customer.**

- (1) As used in this section, unless the context otherwise requires:
  - (a) "Customer" means any person who causes a molder to fabricate, cast, or otherwise make a die, mold, form, or pattern, or who provides a molder with a die, mold, form, or pattern, to manufacture, assemble, cast, fabricate, or otherwise make a product for a customer; and
  - (b) "Molder" means any person who fabricates, casts, or otherwise makes or uses a die, mold, form, or pattern for the purpose of manufacturing, assembling, casting, fabricating, or otherwise making a product for a customer. "Molder" includes, but is not limited to, a tool or die maker.
- (2)
  - (a) In the absence of any agreement to the contrary, a customer shall have all rights and title to any die, mold, form, or pattern in the possession of a molder.
  - (b) If a customer does not claim possession from a molder of a die, mold, form, or pattern, all rights and title to any die, mold, form, or pattern shall be transferred by operation of law to the molder for the purpose of destroying or otherwise disposing of the die, mold, form, or pattern, consistent with this subsection.
  - (c) If a molder chooses to have all rights and title to any die, mold, form, or pattern transferred to the molder by operation of law, the molder shall send written notice by registered mail to the chief executive officer of the customer or, if the customer is not a business entity, to the customer, at the customer's last known address. The written notice shall indicate that the molder intends to terminate the customer's rights and title by having the rights and title transferred to the molder by operation of law under this section. The notice shall include a statement of the customer's rights set forth in paragraph (d) of this subsection.
  - (d)
    1. If a customer does not respond in person or by mail to claim possession of a particular die, mold, form, or pattern within one hundred twenty (120) days following the date that the notice was mailed, or does not make contractual arrangements with the molder for storage of the die, mold, form, or pattern, all rights and title of the customer, except patents and copyrights, shall transfer by operation of law to the molder. Thereafter, the molder may destroy or otherwise dispose of the particular die, mold, form, or pattern as the molder's own property without any risk of liability to the customer.
    2. This section shall not be construed in any manner to affect any right of the customer under federal patent or copyright law or federal law pertaining to unfair competition.
- (3)
  - (a) A molder shall have a lien, dependent on possession, on all dies, molds, forms, or patterns in his hands and that belong to a customer, for the balance due him from the customer for any manufacturing or fabrication work, and in

the value of all material related to the work. The molder may retain possession of the die, mold, form, or pattern until the charges are paid.

- (b) Before enforcing a lien, a molder shall give notice in writing to the customer, whether delivered personally or sent by registered mail to the last known address of the customer. The notice shall state that a lien is claimed for the damages set forth in or attached to the writing for manufacturing or fabrication work contracted or performed for the customer. The notice shall also include a demand for payment.
  - (c) If the molder has not been paid the amount due within sixty (60) days after the notice has been received by the customer, as provided in paragraph (b) of this subsection, the molder may sell the die, mold, form, or pattern at a public auction.
- (4) (a) Before a molder may sell the die, mold, form, or pattern, the molder shall notify the customer by registered mail, return receipt requested. The notice shall include:
- 1. The molder's intention to sell the die, mold, form, or pattern thirty (30) days after the customer's receipt of the notice;
  - 2. A description of the die, mold, form, or pattern to be sold;
  - 3. The time and place of the sale; and
  - 4. An itemized statement for the amount due.
- (b) If there is not a return of the receipt of the mailing or if the postal service returns the notice as being nondeliverable, the molder shall publish the notice of the molder's intention to sell the die, mold, form, or pattern in a newspaper of general circulation in the customer's last known place of business. The notice shall include a description of the die, mold, form, or pattern.
- (c) 1. If the sale is for a sum greater than the amount of the lien, the excess shall be paid to any prior lienholder known to the molder at the time of the sale and any remainder shall be paid to the customer, if the customer's address is known, or the Kentucky State Treasurer for deposit in the general fund if the customer's address is unknown to the molder at the time of the sale.
2. A molder shall not conduct a sale if the sale violates any right of a customer under federal patent or copyright law.

**Effective:** July 15, 1998

**History:** Created 1998 Ky. Acts ch. 435, sec. 1, effective July 15, 1998.